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# Message Text

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41
ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-11 CIAE-00 COME-00 ACDA-19 MC-02 DRC-01 /071 W
---------- 050908
R 211327Z NOV 73
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 0500
INFO USMISION OECD PARIS

C O N F I D E N T I A L BUDAPEST 3759

E.O. 11652: GDS
TAGS: ESTC, ETRD, COCOM, US, HU
SUBJECT: STATUS OF EXPORT LICENSE FOR IBM SALE OF 370/155
COMPUTER TO HUNGARIAN CENTRAL STATISTICAL OFFICE

REF: APPLICATION (CASE NO. UNKNOWN) OF JAN. 18, 1973, AS MODIFIED
MAY 2 AND AUGUST 29.

EXCON

1. ACTION REQUESTED: EMBASSY WOULD APPRECIATE INFO ON STATUS IBM APPLICATION FOR EXPORT LICENSE TO SELL 370 MODEL 155 COMPUTER TO HUNGARIAN CENTRAL STATISTICAL OFFICE. IF SECURITY CONSIDERATIONS NOT OVERRIDING, WHICH WE ARE NOT IN POSITION TO JUDGE, EMBASSY BELIEVES SALE WOULD BE SIGNIFICANTLY VALUABLE IN ITSELF AND FOR FUTURE COMMERCIAL RELATIONS IN FIELD WHERE WE HAVE STRONG TECHNOLOGICAL ADVANTAGE. IN ANY CASE, EARLY DECISION WOULD SEEM DESIRABLE BOTH FOR IBM AND GOH.

2. DURING RECENT VISIT TO BUDAPEST, IBM VICE PRESIDENT HUME RAISED WITH AMBASSADOR STATUS EXPORT LICENSE FOR SALE OF A MODEL 155 COMPUTER TO HUNGARIAN CENTRAL STATISTICAL OFFICE. SAID DELAY IN DECISION WAS COSTLY TO THEM AND CREATED DIFFICULTIES IN DEALING WITH HUNGARIANS. SAID STATISTICAL OFFICE HAD AGREED TO COMPLY WITH END USER CONTROLS AND OTHER NECESSARY EXPORT LICENSE SPECIFICATIONS.
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3. AMBASSADOR NOTED EMBASSY DID NOT HAVE ALL FACTS AVAILABLE TO WASHINGTON. SALE OBVIOUSLY DESIRABLE FROM COMMERCIAL POINT OF VIEW, BUT SECURITY CONSIDERATIONS INVOLVED THAT EMBASSY COULD NOT JUDGE. SAID HE WOULD, HOWEVER, CALL IBM'S CONCERN TO DEPT ATTENTION, EXPRESS INTEREST IN ISSUE, AND ASCERTAIN HOW SOON DECISION COULD BE REACHED.

4. SUBSEQUENT LETTER FROM IBM MANAGER FOR HUNGARY STRESSED THAT MODEL 155, WHILE LARGEST MACHINE SCHEDULED FOR EXPORT TO EE, SMALL IN COMPARISON TO WESTERN STATISTICAL INSTALLATIONS. HE ALSO ENCLOSED COPY OF AUGUST LETTER FROM GOH STATISTICAL OFFICE WHICH WE UNDERSTAND DEPT HAS. SAID GOH HAD PREPARED "PREMISES AND APPLICATION PROGRAMS" TO RUN ON THE SYSTEM. PEDERSEN

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NNN

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# Message Attributes

**Automatic Decaptioning:** X
**Capture Date:** 01 JAN 1994
**Channel Indicators:** n/a
**Current Classification:** UNCLASSIFIED
**Concepts:** STRATEGIC TRADE CONTROLS, COMPUTERS
**Control Number:** n/a
**Copy:** SINGLE
**Draft Date:** 21 NOV 1973
**Decaption Date:** 01 JAN 1960
**Decaption Note:**
**Disposition Action:** RELEASED
**Disposition Approved on Date:**
**Disposition Authority:** martinjw
**Disposition Case Number:** n/a
**Disposition Comment:** 25 YEAR REVIEW
**Disposition Date:** 28 MAY 2004
**Disposition Event:**
**Disposition History:** n/a
**Disposition Reason:**
**Disposition Remarks:**
**Document Number:** 1973BUDAPE03759
**Document Source:** CORE
**Document Unique ID:** 00
**Drafter:** n/a
**Enclosure:** n/a
**Executive Order:** GS
**Errors:** N/A
**Film Number:** n/a
**From:** BUDAPEST
**Handling Restrictions:** n/a
**Image Path:**
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**Original Classification:** CONFIDENTIAL
**Original Handling Restrictions:** n/a
**Original Previous Classification:** n/a
**Original Previous Handling Restrictions:** n/a
**Page Count:** 2
**Previous Channel Indicators:**
**Previous Classification:** CONFIDENTIAL
**Previous Handling Restrictions:** n/a
**Reference:** APPLICATION (CASE NO. UNKNOWN) OF JA, N. 18, 1973, AS MODIFIED
**Review Action:** RELEASED, APPROVED
**Review Authority:** martinjw
**Review Comment:** n/a
**Review Content Flags:**
**Review Date:** 21 SEP 2001
**Review Event:**
**Review Exemptions:** n/a
**Review History:** RELEASED <21-Sep-2001 by thigpegh>; APPROVED <20 FEB 2002 by martinjw>
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**Review Referrals:** n/a
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**Review Release Event:** n/a
**Review Transfer Date:**
**Review Withdrawn Fields:** n/a
**Secure:** OPEN
**Status:** NATIVE
**Subject:** STATUS OF EXPORT LICENSE FOR IBM SALE OF 370/155 COMPUTER TO HUNGARIAN CENTRAL STATISTICAL OFFICE
**TAGS:** ESTC, ETRD, US, HU, COCOM, IBM
**To:** STATE
**Type:** TE
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005

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